

HOUSE BILL 266

By Pruitt

AN ACT to amend Tennessee Code Annotated, Section 67-6-205, relative to sales taxes on charges for certain temporary accommodations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-205(c)(1), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(1) The sale, rental, or charges for any rooms, lodgings, or accommodations furnished to transients by any hotel, inn, tourist court, tourist camp, tourist cabin, motel, or any place in which rooms, lodgings, or accommodations are furnished to transients for a consideration, shall be subject to state sales tax not to exceed the rate of seven percent (7%). Notwithstanding any provision of law to the contrary, from the state sales tax levied on such lodging services, the commissioner of finance and administration shall allocate two percent (2%) to the jurisdiction from which such tax was collected for payment of up to fifty percent (50%) of the debt service on any qualified public use facility located within such jurisdiction with a total cost exceeding one hundred million dollars (\$100,000,000) and constructed after the effective date of this act; provided, that upon distribution of an amount equal to fifty percent (50%) of such debt service to the jurisdiction from which such tax was collected, taxes collected pursuant to this subdivision (c)(1) shall be allocated as otherwise provided by law. The tax does not apply, however, to rooms, lodgings, or accommodations supplied to the same person for a period of ninety (90) continuous days or more.

SECTION 2. This act shall take effect at 12:05 a.m. on July 1, 2007, the public welfare requiring it.